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BellSouth Telecommunications, Inc
333 Commerce Street
Suite 2101
Nashville, TN 37201-3300

guyhicks@bellsouth.com

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Guy M Hicks
General Counsel

November 15, 2004 TRIA 2004 DOCKET ROOM

615 214 6301
Fax 615 214 7406

VIA HAND DELIVERY

Hon. Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *BellSouth's Withdrawal of its Statement of Generally Available Terms
and Conditions*
Docket No. 04-00261

Dear Chairman Miller:

Enclosed are the original and fourteen copies of a *Settlement of Disputed Claims* in the above-referenced docket. Mr. Henry Walker, counsel for CompSouth, has given me permission to sign the *Settlement* on his behalf. Copies of the enclosed are being provided to counsel of record.

Very truly yours,

Guy M. Hicks

GMH:ch

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *BellSouth's Withdrawal of its Statement of Generally Available Terms and Conditions*

Docket No. 04-00261

SETTLEMENT OF DISPUTED CLAIMS

BellSouth Telecommunications, Inc. ("BellSouth"), on August 17, 2004, filed with this Authority, its letter notifying the Authority that BellSouth was withdrawing its Statement of Generally Available Terms ("SGAT"). In response thereto, on August 23, 2004, Competitive Carriers of the South, Inc. ("CompSouth") filed its Motion requesting that the Authority prevent BellSouth from withdrawing the referenced SGAT. In order to resolve this dispute, BellSouth and CompSouth, (collectively, the "Parties") have reached the following settlement and compromise regarding the withdrawal of the SGAT and request that the Authority enter an order adopting this settlement in final resolution of this docket.

1. Except as set forth in paragraph 2 below, BellSouth's SGAT will be withdrawn and of no force and effect as of the earlier of: (a) the date of vacatur of the Interim Rules announced in the FCC's Order and Notice of Proposed Rulemaking, *Unbundled Access to Network Elements*, and *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Dockets 04-313 and 01-338 (released August 20, 2004); (b) the date the FCC implements permanent rules in FCC Dockets 04-313 or 01-338; or (c) March 12, 2005;

2. For any CLEC that adopted, and was operating under, BellSouth's SGAT as of June 15, 2004, the withdrawal of BellSouth's SGAT pursuant to paragraph 1 above does not impact the rates, terms and conditions under which BellSouth provides service to such CLEC;

3. As of June 15, 2004, no CLEC may adopt BellSouth's SGAT in whole, or in part;

4. Once BellSouth's SGAT is withdrawn and no longer in force and effect, BellSouth will maintain the BellSouth Standard Interconnection Agreement on its interconnection website and make that Standard Interconnection Agreement available to CLECs pursuant to federal law;

5. In the event that BellSouth makes changes to its posted Standard Interconnection Agreement referred to in paragraph 4 to implement a change in law or orders of this Authority, a CLEC may petition this Authority requesting that the Authority resolve any dispute concerning such changes; however, this agreement shall not preclude BellSouth from asserting any defenses that it might ordinarily have to such a petition. In addition, where a CLEC requests to enter into BellSouth's Standard Interconnection Agreement, nothing in paragraph 4 above shall limit that CLEC's right to initiate an arbitration proceeding under Section 252(b) of the 1996 Act challenging any provision of the BellSouth Standard Interconnection Agreement that the CLEC believes is inconsistent with the law or orders of the Authority;


6. The Parties agree that CompSouth's Petition in Docket No. 04-00261 shall be dismissed with prejudice.

7. This settlement is contingent upon the Authority approving the settlement and issuing an Order with the terms set forth above.

8. The Parties agree that this settlement is made in order to avoid the further expense of litigation and that by entering into this settlement neither BellSouth nor CompSouth makes any admission regarding the validity of the position of the other party in this dispute.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.



Guy M. Hicks
Joelle J. Phillips
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300
615/214-6301

Boult, Cummings, Conners & Berry



Henry Walker
414 Union Street, #1600
Nashville, TN 37219-8062
615/252-2363
For CompSouth

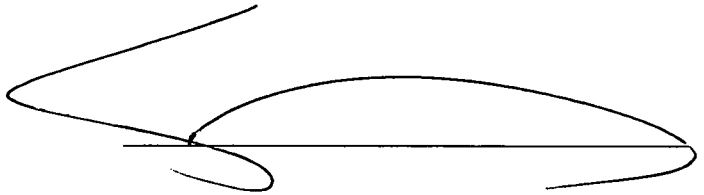
By G. Hicks
With permission

CERTIFICATE OF SERVICE

I hereby certify that on November 15, 2004, a copy of the foregoing document was served on the parties of record, via hand delivery, facsimile, overnight or US Mail, addressed as follows:

- ☐ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight
- ☒ Electronic

Henry Walker, Esquire
Boult, Cummings, et al.
P. O. Box 198062
Nashville, TN 37219-8062
hwalker@boultcummings.com

A handwritten signature in black ink, appearing to be "Henry Walker", written over a horizontal line.